



NATIONAL BISCUIT COMPANY
ANNUAL REPORT
JANUARY 31, 1908

To the Stockholders of
NATIONAL BISCUIT COMPANY

The following is the balance sheet of the Company at the close of business January 31, 1908:

ASSETS		
Plants, Real Estate, Machinery, Patents, etc.	\$53,362,365.91	
Less Depreciation Account	<u>300,000.00</u>	\$53,062,365.91
Cash	\$3,292,568.74	
Stocks and Securities	674,684.87	
Accounts Receivable	<u>3,297,477.65</u>	
Raw Material, Supplies and Finished Product	<u>4,219,076.41</u>	\$11,483,807.67
		\$64,546,173.58
LIABILITIES		
Capital Stock, Preferred	\$24,804,500.00	
Capital Stock, Common	<u>29,236,000.00</u>	\$54,040,500.00
Bonds Payable and Mortgages Payable Assumed at Formation of Company	\$ 1,814,000.00	
Less amount paid	<u>957,575.83</u>	\$ 856,424.17
Accounts Payable, Including Accrued Interest		431,839.50
Balance January 31, 1907	\$ 8,606,470.03	
Earnings, 12 months to January 31, 1908, inc.	<u>4,101,414.88</u>	
	\$12,707,884.91	
Less Dividends Paid 12 months to January 31, 1908, inclusive	<u>\$ 3,490,475.00</u>	\$ 9,217,409.91
		\$64,546,173.58
Sales, 12 months to January 31, 1908, inclusive		41,802,224.26
Profits, 12 months to January 31, 1908, inclusive		4,101,414.88
Per Cent. of Profit to Sales		9.81



The Company has now completed the tenth year of its existence. Its sales and profits year by year have been as follows:

	Sales	Profits
1898	\$34,051,279.84	\$3,292,143.10
1899	35,651,898.84	3,302,155.00
1900	36,439,160.00	3,318,355.19
1901	38,625,134.78	3,670,445.05
1902	40,221,925.08	3,689,338.09
1903	40,532,114.59	3,709,515.62
1904	41,040,495.80	3,731,927.80
1905	39,702,566.44	3,822,338.02
1906	40,722,939.17	3,954,506.91
1907	41,802,224.26	4,101,414.88

The balance sheet of the Company herewith presented shows its financial condition at the end of the tenth fiscal year. Of the bonds and mortgages assumed at the formation of the Company, amounting to \$1,814,000.00, there has been paid off the sum of \$957,575.83, leaving a balance unpaid of \$856,424.17, none of which has yet matured. The accounts payable are simply the current bills for raw material and supplies, which were not adjusted before the close of the year. The cash resources of the Company are entirely ample.

Up to January 31, 1908, the Company has declared and paid thirty-nine consecutive quarterly dividends of one and three-quarters per cent. each on its preferred stock.

The first dividend of one per cent. on its common stock was declared August 15, 1899; including the dividend then declared, the Company declared and paid thirty consecutive quarterly dividends of one per cent. each on its common stock up to January 31, 1907; and during the year 1907 declared and paid four quarterly dividends of one and one-quarter per cent.; in addition to these quarterly dividends, the Company on April 15, 1906, paid an extra dividend of one per cent. on its common stock; also on April 15, 1907, it paid another extra dividend of one per cent. on its common stock, making in all thirty-six dividends paid on its common stock.

The total number of stockholders of the Company immediately after its organization was about thirteen hundred. The total number now is about seventy-five hundred. Of this number twenty-three hundred and ninety-five are employees of the Company. Under the plan enabling employees to purchase our preferred stock, paying for it in installments, they have purchased seventy-nine hundred and thirty-three shares. This is exclusive of a very large amount of stock, both common and preferred, held by our directors, officers and principal managers.

In our last annual report we described two buildings in the course of construction for the purpose of increasing the capacity of our New York plant, one of these buildings being at the corner of Fifteenth Street and Ninth Avenue, adjoining the Nabisco Works, and the other on Sixteenth Street, adjoining the Uneeda Biscuit Works. These buildings were completed and in operation in the Spring of nineteen hundred and seven. Without these buildings we would have been unable to take care of our business during the summer months. They have proved in every way satisfactory. To erect and equip these buildings cost about one million dollars, which has all been paid.

In our last annual report we referred to the imitations of our trade marks and trade names by other manufacturers of biscuit, and stated that the Company had concluded, with unbroken success, twelve suits in the United States Courts, involving practically all these trade marks and trade names; that in addition to these suits three hundred and thirty imitations by various manufacturers had been stopped without litigation. Sixty-eight new imitations appeared during the year just closed, but we were able to stop all these without litigation. These different imitations involved over one hundred different manufacturers of biscuit in this country.

In former reports we referred to the fact that the evolution of our business had shown that the manufacture of In-er-seal Trade Mark package

goods could be conducted in large plants, situated at central points, with better results, both as to the quality of the goods produced and the cost of manufacture, than when scattered among a large number of plants; that this concentration resulted in the discontinuance of the baking of biscuit in a number of small plants, and the sale of such part of the business as did not appertain directly to the manufacture and sale of biscuit, and that we had also sold back to the former owners a couple of cracker factories and the business connected therewith, because they were not profitable to our Company in this evolution. This course of action resulted in considerable loss of sales to the Company.

Notwithstanding these facts our sales during the ten years have increased \$7,750,944.42, being about twenty-three per cent. Our profits have increased \$809,271.78, being over twenty-four per cent.

Our increase in sales is not due to the fact that there is a less number of rival manufacturers of biscuit than there was in the first year of the existence of this Company. On the contrary, the number has increased. We have frequently stated that the policy of this Company was not to buy out competition, nor to attempt, by a ruinous war of prices, to crush the same, and to that policy we have steadfastly adhered.

We offer our goods for sale at a fixed price and upon stated terms, available to all grocers. Our business is increasing and becoming each

year more secure, because we offer for sale the best goods, put up in the most attractive manner, and give to the grocer the most effective and satisfactory service.

The consumer, however, is the final arbiter. By constant advertising we have made known to the consumer the quality and the character of our goods. The constantly increasing sales of our package goods from year to year show that we have that which the great consuming public wants. This business is *our* business. But we know that the affairs of this corporation must be conducted in the future as they have been in the past so as to merit the continued support and friendship of the public. Our entire organization, from the highest to the lowest, is thoroughly impressed with the necessity of administering in this spirit the great property which has been committed to their charge by the large and increasing body of stockholders.

Respectfully submitted,

A. W. GREEN,

President.

DIRECTORS

B. F. Crawford	S. S. Marvin
L. D. Dozier	W. H. Moore
H. J. Evans	T. S. Ollive
A. W. Green	F. M. Peters
H. M. Hanna	N. B. Ream
F. L. Hine	J. D. Richardson
F. A. Kennedy	S. A. Sears
J. B. Vredenburgh	

OFFICERS

A. W. Green	President
J. D. Richardson	First Vice-President
F. M. Peters	Second Vice-President
F. E. Bugbee	Secretary and Treasurer
J. U. Higinbotham	Assistant Treasurer

EXECUTIVE COMMITTEE

N. B. Ream	J. D. Richardson
F. L. Hine	F. M. Peters
W. H. Moore	A. W. Green